



1150 North First Street, Suite 101
San Jose, CA 95112

April 28, 2011

VIA EMAIL AND HAND DELIVERY

Gina Donnelly, Deputy Director
CITY OF SAN JOSE
Office of Employee Relations
200 East Santa Clara Street
San Jose, CA 95113

RE: Mediation

Dear Gina:

As the Presidents of AFSCME MEF and CEO, and the leaders in the negotiations with the City, we are extremely concerned that you have refused to provide us with a counter proposal to our most recent package proposal B provided to you on April 18, 2011 (see: <http://www.mef101.org/contractnegotiations.html>). It is even more disconcerting that during the session, AFSCME MEF and CEO indicated we would make significant further movement and verbally altered our proposal.

As we stated in that last negotiation session with you, we are frustrated by your lack of willingness to engage in productive, good faith negotiations. AFSCME understands the very big challenges the City faces this year, with a budget deficit that leaves little room for flexibility. However, as representatives of our respective bargaining units, we must also be concerned with the impact of the City's proposed cuts, both on critical City services and the AFSCME members who provide those services. We have taken great strides to relay to our members the seriousness of the budget deficit, and have also stressed to our members that we must all be prepared to take cuts that will help balance the budget this next fiscal year.

Both Charles Allen, our Business Agent, and Andrew Baker, AFSCME Legal Counsel requested in writing on April 21, 2011 (see attached), that our negotiating team have an opportunity to meet with the City's negotiating team one more time before we engage in mediation with a State

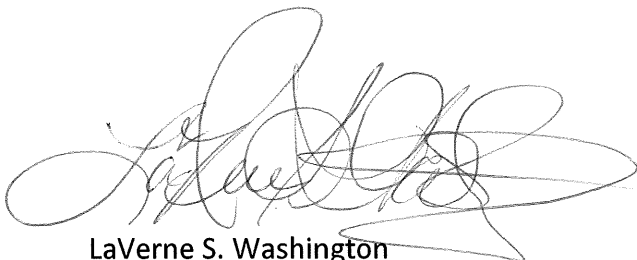
appointed mediator so we could have one last opportunity to provide a package proposal that we feel will address concerns of the City and meet the needs of our members.

You refused our request as stated in your letter to us on April 25, 2011 (see attached). Instead, you said that a state mediator is the best course of action to take in resolving our differences. It is not without serious consideration that we, the AFSCME Negotiation Team for CEO and MEF, must cancel the next negotiation session scheduled for Monday, May 2, 2011. We have a responsibility to our members to provide them with information and engage them in discussions regarding the City's position.

It is unfortunate that you have placed us in this position, but it is imperative that we have adequate communications with our members prior to mediation. Following a meeting with our membership, we will contact you to mutually agree upon scheduling a mediation session and in-turn we will also provide you with a copy of our proposal prior to the meeting so that the session is productive and the outcome successful.

We look forward to your response and hope that we can work together to find a satisfactory solution.

Sincerely,

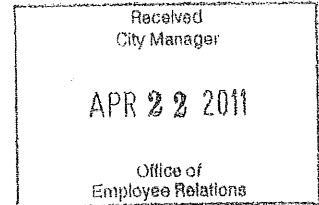
A large, stylized handwritten signature in black ink, appearing to read 'LaVerne S. Washington'.

LaVerne S. Washington
President, CEO

A small, stylized handwritten signature in black ink, appearing to read 'Yolanda A. Cruz'.

Yolanda A. Cruz
President, MEF

cc: Charles E. Allen, AFSCME, MEF/CEO Business Agent



1150 North First Street, Suite 101
San Jose, CA 95112

April 21, 2011

VIA EMAIL AND HAND DELIVERY

Gina Donnelly, Deputy Director
CITY OF SAN JOSE
Office of Employee Relations
200 East Santa Clara Street
San Jose, CA 95113

RE: Mediation

Gina,

We are in receipt of your April 19 email and your letter regarding mediation. We acknowledge that the City has declared impasse on our negotiations. We are of the mind that given a productive discussion at the negotiating table on April 18 and the significant movement made by our team with a partial verbal proposal following a 30-minute caucus that we are not at impasse and because we are working on a counter proposal we are not in need of mediation.

A number of our team is not at work this week and MEF President Yolanda Cruz is in a week-long work meeting all next week. In an effort to be fully prepared we propose to reschedule negotiations until Monday May 2. Prior to that meeting we ask that the City please provide an electronic counter proposal to our package proposal B. In turn we will provide the City an electronic version of our counter proposal package C.

In following these steps, this will allow us to meet on May 2 with the full comprehension as to the reality; how close we are to an agreement and addressing the City Manager's November 10, 2010 Memo. Should this meeting not result in a tentative agreement, then we will agree to mediation.

We look forward to continuing negotiations and moving toward an agreement.

Sincerely,

Charles E. Allen
MEF/CEO, Local 101, District Council 57 Business Agent

C: Yolanda Cruz, President MEF
LaVerne Washington, President CEO

April 25, 2011

Charles Allen
AFSCME Business Agent
Municipal Employees' Federation (MEF) AFSCME, Local 101
Confidential Employees' Organization (CEO) AFSCME, Local 101
1900 Embarcadero #305
Oakland, CA 94606

Re: Mediation

Dear Charles:

We are in receipt of your and Andrew Baker's letters dated April 21, 2011. The City is concerned and rather befuddled by the course of action taken by MEF/CEO in the last week.

After the City declared impasse on Monday April 18th, MEF/CEO confirmed attendance at our meeting scheduled for April 25th. The City confirmed its offer of mediation in writing on April 19th and indicated that a State Mediator had been secured for April 25th. On April 20th, the City was contacted by the State Mediation and Conciliation Services indicating that MEF/CEO had requested a different Mediator. While the City had no objection to the assigned mediator, in an effort to accommodate MEF/CEO, the City agreed to a switch.

On April 21st, the newly assigned mediator indicated to the City that MEF/CEO now was claiming the meeting date of April 25th might be problematic in that the MEF/CEO negotiating team may not have been provided with sufficient release time for the meeting. This was puzzling, since the release time notification for the meeting on April 25th had been provided almost a month prior on March 22nd and this issue had not been raised since that time.

Nonetheless, to address your concern regarding release time, the Office of Employee Relations staff personally contacted the administration of each applicable department to confirm and verify the release time for April 25th. This assurance was provided to both the State mediator and MEF/CEO that same day. That evening, (at 5:59 p.m. and 6:54 p.m., respectively), we received your and Mr. Baker's letters, indicating that MEF/CEO was cancelling today's meeting and requesting an electronic counterproposal from the City before our next scheduled meeting on May 2nd.

Mediation
April 25, 2011
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We will not be providing MEF/CEO with a counterproposal, as there has been no change in circumstances since the City declared impasse on Monday April 18th. Therefore, the parties remain at impasse for the reasons stated on April 18th and in our letter of April 19th. Nevertheless, in our continuing effort to accommodate the requests of MEF/CEO, we have cancelled the meeting scheduled for April 25th. Based on your and Mr. Baker's letters, we understand that MEF/CEO is in the process of preparing a proposal which you believe will break the impasse and we look forward to receiving that, either before or at our scheduled mediation session on May 2nd.

The City looks forward to continuing to work with the Union in an attempt to reach agreement.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Donnelly', written in a cursive style.

Gina Donnelly
Deputy Director of Employee Relations

c: Yolanda Cruz, MEF President
LaVerne Washington, CEO President